

## **FISCAL NOTE**

### **HB 4179 - SB 4127**

February 18, 2008

**SUMMARY OF BILL:** Creates the Tennessee Back to Class Act of 2008 for students who have not been enrolled in a postsecondary institution for at least two years prior to application and are within thirty semester hours of graduation from a four-year postsecondary institution. Creates the Tennessee Back to Class Grant Fund for the purpose of receiving a one-time transfer, to occur on July 1, 2008, equal to \$100,000,000 from the Lottery for Education Account, and for funding Tennessee Back to Class Grants. Such grants are of two types: the Renewing Education Grant equal to \$3,000 per eligible student, and the Graduation Threshold Grant equal to \$2,000 per eligible student. Such grants are to be first awarded for the 2008-2009 academic year with the program expiring after the 2013-2014 academic year. Requires the Tennessee Student Assistance Corporation (TSAC) to administer the program.

### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Transfers \$100,000,000 from the Lottery for Education Account to the Tennessee Back to Class Grant Fund, for the purpose of funding the Tennessee Back to Class Act of 2008. This transfer will reduce the amount of funding available for eligible recipients of traditional HOPE scholarships and grants. Increases the expenditure of funds from the Tennessee Back to Class Grant Fund by \$3,442,000 in FY08-09 and by \$3,614,100 in FY09-10.**

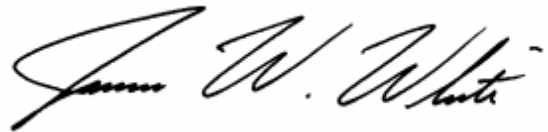
#### Assumptions:

- According to TSAC, approximately 104 students would be eligible for the Renewing Education Grant and 626 students would be eligible for the Graduation Threshold Grant during the first year (FY08-09).
- The increase of expenditures from the Tennessee Back to Class Grant Fund is estimated to be \$3,442,000  $[(104 \times \$3,000) + (626 \times \$5,000) = \$3,442,000]$  in FY08-09.
- Five percent growth in the number of eligible students during the second year (FY09-10).

- The increase of expenditures from the Tennessee Back to Class Grant Fund is estimated to be \$3,614,100 ( $\$3,442,000 \times 105\% = \$3,614,100$ ) in FY09-10.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/rnc